Regarding the rejection to claims 1-45 based upon the Abecassis reference, Applicant respectfully requests reconsideration for the following reasons. In order to establish that a claim is anticipated, each and every claim limitation must be present in the cited reference. In the present case, numerous limitations cannot be found in the cited reference, therefore, the claims are not anticipated as alleged in the Office Action.

The cited Abecassis reference, in relevant part, relates to a system for playback of a "radio on demand" type program where the user's own content is interleaved with other information. The listener earns credits for listening to certain information (e.g., advertisements) and debits against such credits when listening to other content. There is no clear teaching that the credits can be purchased (In fact, why would you purchase the right to listen to your own content?). Further, there is no clear teaching of any penalty for running out of credits. The only teaching that Applicant can find is that credits are deducted for play of the content and added for listening to other information.

Applicant's invention, in contrast, is based upon purchase of content on a pay-per-play system where you pay for use of content only if you use it. Now, consider Applicant's independent claims individually as follows:

Claim 1 - Applicant's content player plays the content "providing the credit bank contains at least one playback credit". The Abecassis appears to impose no such limitation. Accordingly, reconsideration and allowance of claim 1 and its dependent claims 2-11 (many of which contain further limitations not present in Abecassis) is respectfully requested.

Claim 12 - While Abecassis does appear to disclose that communication can be carried out between the player and various other locations/devices, there is no disclosure or suggestion of the player "electronically linking with a playback credit vendor". Moreover, there is no disclosure or suggestion in Abecassis of the purchase of credits as required by the claim. Nor is there disclosure of "storing playback credits on a credit storage medium" and transferring the credits "to a playback credit bank" as required by the claims Accordingly. Abecassis falls short of anticipation of claim 12 Reconsideration and

allowance of claim 12 and its dependent claims 13-17 (many of which contain further limitations not present in Abecassis) is respectfully requested.

Claim 18 - Abecassis has no disclosure or suggestion of a readable credit bearing medium as claimed. Abecassis further has no disclosure or suggestion of "transferring playback credits from the credit bearing medium to a playback credit bank" as required by the claim. Additionally, Abecassis has no mechanism for determining whether to play content based upon a number of playback credits available. Accordingly, reconsideration and allowance of claim 18 and its dependent claims 19-24 (many of which contain further limitations not present in Abecassis) is respectfully requested

Claim 25 - Abecassis has no disclosure or suggestion of an electronic storage medium storing instructions for reading a readable credit bearing medium as claimed. Abecassis further has no disclosure or suggestion of "transferring playback credits from the credit bearing medium to a playback credit bank" as required by the claim. Additionally, Abecassis neither discloses nor suggests that at least one credit is required for playback of content as described and claimed by Applicant. Accordingly, reconsideration and allowance of claim 25 and its dependent claims 26-33 (many of which contain further limitations not present in Abecassis) is respectfully requested.

Claim 34 - Applicant's content player plays the content "providing the credit bank contains at least one playback credit". The Abecassis appears to impose no such limitation. Accordingly, reconsideration and allowance of claim 34 and its dependent claims 35-44 (many of which contain further limitations not present in Abecassis) is respectfully requested.
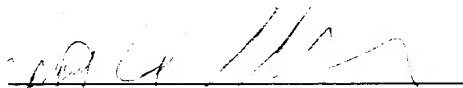
Claim 45 - Claim 45 contains most of the limitations discussed above in connection with claims 1-44 (as well as others) and is thus believed to clearly distinguish over the cited Abecassis reference.

In view of this communication, the rejection based upon 35 U.S.C. §112 is believed to have been remedied by amendment without changing the scope of the claim All claims are now believed to be in condition for allowance and such is respectfully

requested at an early date. Should the Examiner believe that further issues remain to be resolved, the courtesy of a telephone interview is respectfully requested.

During the course of preparation of this response, a patent was brought to the attention of the undersigned by an employee of the Assignee of the present application. This patent is submitted herewith in an information disclosure statement and consideration of the reference is respectfully requested.

Respectfully submitted,

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VERSION WITH MARKINGS TO SHOW ALL SPECIFICATION CHANGES

The paragraph starting at line 28 of page 3 is amended as follows:

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In another exemplary embodiment, a method of playback of electronic media, includes: providing a credit bearing medium embodied as a smart card having a magnetic strip used as an interface thereto; purchasing playback credits; encrypting the playback credits; storing the encrypted playback credits to the credit bearing medium; reading a credit bearing medium containing playback credits; decrypting the playback credits read from the credit bearing medium transferring the decrypted playback credits from the credit bearing medium to a playback credit bank; reading a content bearing medium, the content bearing medium comprising a <u>stick memory device such as a</u> Memory Stick™; determining if the playback credit bank has at least one credit, and if so: determining if the content bearing medium is present, and providing a prompt to install the content bearing medium if the content bearing medium is not present, and when the content bearing medium is present: deducting a credit; and playing back the content stored on the content bearing medium; providing a message advising of the lack of playback credits in the event the credit bank does not have at least one playback credit.

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The paragraph starting at line 19 of page 6 is amended as follows:

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An exemplary embodiment of a portable player consistent with the invention is shown as 100 in **FIGURE 1**. Portable media player 100 includes, in this embodiment, a media player 106 which can be any suitable media player including a disc drive, tape drive, flash memory card or <u>stick memory device such as a</u> Memory Stick™ (Sony Corporation, Tokyo, Japan) reader. In this example, a Memory Stick™ 112 is shown as the content bearing media which contains, for example, digital formatted music program material. Media player 106 includes all of the conventional circuitry required to effect

playback of the program material in the media 112 and reproduction thereof over the headphones 120. Alternative media such as tape, disc, magnetic, optical, magneto-optical, silicon technologies such as flash memory and EEPROM memory and other storage technologies which can be adapted to store digital representations of content can also be used without departing from the invention.

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VERSION WITH MARKINGS TO SHOW ALL CLAIM CHANGES

(For ease of reference, all claims are provided below. Amended claims have been clearly indicated as such.)

1.   A content player, comprising in combination:

a memory which stores content;

a playback credit bank stored in the content player;

a playback circuit which plays the content for consumption by a user, providing the credit bank contains at least one playback credit; and

a processor which deducts a playback credit from the playback credit bank when the content is played.

2.   The apparatus according to claim 1, wherein the playback credit bank is replenished by accessing a removable storage medium.

3.   The apparatus according to claim 1, wherein the playback credit bank is replenished by communicating with a with smart card.

4.   The apparatus according to claim 1, wherein the playback credit bank is replenished by communicating with a kiosk.

5.   The apparatus according to claim 1, further comprising means for advising a user of the status of credits in the credit bank.

6.   The apparatus according to claim 5, wherein the means for advising comprises a display that displays a number of credits remaining in the credit bank.

7.   The apparatus according to claim 5, wherein the means for advising comprises a display that displays a reminder to purchase credits.

8.   The apparatus according to claim 1, further comprising a content player that reads content from the memory for playback.

9. (AMENDED)   The apparatus according to claim 8, wherein the content player comprises a <u>stick memory device</u> [Memory Stick^{TM}] reader and wherein the memory is embodied in a [Memory Stick^{TM}] <u>stick memory device</u>.

10.   The apparatus according to claim 1, wherein the memory comprises a storage medium selected from magnetic tape, magnetic disc, optical disc, magneto-optical storage and semiconductor memory.

11.   The apparatus according to claim 1, wherein the content player comprises a portable music player.

12.   A method of loading playback credits into an electronic content player, comprising:
        electronically linking with a playback credit vendor using a communication link;
        purchasing playback credits via the communication link;
        storing playback credits on a credit storage medium; and
        transferring the playback credits from the credit storage medium to a playback credit bank residing in the electronic content player.

13.   The method according to claim 12, wherein the communication link comprises the Internet.

14. The method according to claim 12, wherein the communication link comprises a wireless communication link.

15. The method according to claim 12, wherein the credit storage medium comprises a card having a magnetic stripe.

16. The method according to claim 12, wherein the credit storage medium comprises a smart card.

17. The apparatus according to claim 12, wherein the credit storage medium comprises a storage medium selected from magnetic tape, magnetic disc, optical disc, magneto-optical storage and semiconductor memory.

18. A method of playback of electronic media, comprising:
   reading a credit bearing medium containing playback credits;
   transferring playback credits from the credit bearing medium to a playback credit bank;
   reading a content bearing medium;
   determining if the playback credit bank has at least one credit;
   if the playback credit bank has at least one credit, deducting a credit; and
   if the playback credit bank has at least one credit prior to the deducting, playing back the content stored on the content bearing medium.

19. The method according to claim 18, further comprising decrypting the playback credits read from the credit bearing medium prior to storing the playback credits to the playback credit bank.

20.   The method according to claim 18, further comprising providing a message advising of the lack of playback credits in the event the credit bank does not have at least one playback credit.

21.   The method according to claim 18, wherein reading the content bearing medium comprises reading a semiconductor memory device.

22. (AMENDED)   The method according to claim 21, wherein the semiconductor memory device comprises a stick memory device [Memory Stick™].

23.   The method according to claim 18, wherein reading the credit bearing medium comprises reading a magnetic card stripe.

24.   The method according to claim 23, wherein the card strip comprises a card stripe forming an interface to a smart card.

25.   An electronic storage medium storing program instructions which, when executed on a programmed processor, carry out a process comprising:
        reading a credit bearing medium containing playback credits;
        transferring playback credits from the credit bearing medium to a playback credit bank;
        reading a content bearing medium;
        determining if the playback credit bank has at least one credit;
        if the playback credit bank has at least one credit, deducting a credit; and
        if the playback credit bank has at least one credit prior to the deducting, playing back the content stored on the content bearing medium.

26.   The method according to claim 25, further comprising decrypting the playback credits read from the credit bearing medium prior to storing the playback credits to the playback credit bank.

27.   The method according to claim 25, further comprising providing a message advising of the lack of playback credits in the event the credit bank does not have at least one playback credit.

28.   The method according to claim 25, wherein reading the content bearing medium comprises reading a semiconductor memory device.

29. (AMENDED)   The method according to claim 28, wherein the semiconductor memory device comprises a stick memory device [Memory Stick™].

30.   The method according to claim 25, wherein reading the credit bearing medium comprises reading a card stripe.

31.   The method according to claim 30, wherein the card strip comprises a card stripe forming an interface to a smart card.

32.   The method according to claim 25, wherein the content bearing medium comprises a storage medium selected from magnetic tape, magnetic disc, optical disc, magneto-optical storage and semiconductor memory.

33.   The method according to claim 25, wherein the credit bearing medium comprises a storage medium selected from magnetic tape, magnetic disc, optical disc, magneto-optical storage and semiconductor memory.

34.   A content player, comprising in combination:

a storage medium which stores content;

a playback credit bank stored in the storage medium;

a playback circuit which plays the content for consumption by a user, providing the credit bank contains at least one playback credit; and

a processor which deducts a playback credit from the playback credit bank when the content is played.

35.   The apparatus according to claim 34, wherein the playback credit bank is replenished by accessing a removable storage medium.

36.   The apparatus according to claim 34, wherein the playback credit bank is replenished by communicating with a with smart card.

37.   The apparatus according to claim 34, wherein the playback credit bank is replenished by communicating with a kiosk.

38.   The apparatus according to claim 34, further comprising means for advising a user of the status of credits in the credit bank.

39.   The apparatus according to claim 38, wherein the means for advising comprises a display that displays a number of credits remaining in the credit bank.

40.   The apparatus according to claim 38, wherein the means for advising comprises a display that displays a reminder to purchase credits

41.   The apparatus according to claim 34, further comprising a content player that reads content from the storage medium for playback.

42. (AMENDED)   The apparatus according to claim 41, wherein the content player comprises a <u>stick memory device</u> [Memory Stick™] reader and wherein the memory is embodied in a <u>stick memory device</u> [Memory Stick™].

43.   The apparatus according to claim 34, wherein the storage medium comprises a storage medium selected from magnetic tape, magnetic disc, optical disc, magneto-optical storage and semiconductor memory.

44.   The apparatus according to claim 34, wherein the content player comprises a portable music player.

45. (AMENDED)   A method of playback of electronic media, comprising:
     providing a credit bearing medium embodied as a smart card having a magnetic strip used as an interface thereto;
     purchasing playback credits;
     encrypting the playback credits;
     storing the encrypted playback credits to the credit bearing medium;
     reading a credit bearing medium containing playback credits;
     decrypting the playback credits read from the credit bearing medium
     transferring the decrypted playback credits from the credit bearing medium to a playback credit bank;
     reading a content bearing medium, the content bearing medium comprising a <u>stick memory device</u> [Memory Stick™];
     determining if the playback credit bank has at least one credit, and if so:
          determining if the content bearing medium is present, and providing a prompt to install the content bearing medium if the content bearing medium is not present, and when the content bearing medium is present:
          deducting a credit: and

playing back the content stored on the content bearing medium;

providing a message advising of the lack of playback credits in the event the credit bank does not have at least one playback credit.